

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

THE FURST GROUP, INC.)	
)	
_____)	CASE NO.
)	93-239
ALLEGED VIOLATION OF COMMISSION)	
REGULATIONS KRS 278.020 AND KRS 278.160)	

O R D E R

IT IS ORDERED that The Furst Group, Inc. ("Furst Group") shall file the original and ten copies of the following information with the Commission. The information requested shall be placed in a bound volume with each item tabbed.

The information requested herein is due no later than 15 days from the date of this Order. If the information cannot be provided by this date, Furst Group shall submit a motion for an extension of time stating the reason a delay is necessary and include a date by which the information can be furnished. Such motion will be considered by the Commission.

1. During the hearing held September 10, 1993, (the "hearing") witnesses for Furst Group discussed its business arrangement with AT&T Communications of the South Central States, Inc. ("AT&T") and how it has received compensation for its participation in providing service to the end-users. Thoroughly discuss and outline Furst Group's business relationship with AT&T including a description of the financial and administrative

interactions necessary for Furst Group to receive compensation from AT&T in a typical billing period.

2. Does Furst Group purchase tariffed services from AT&T? If so, on what date did Furst Group begin to purchase tariffed services?

3. Witnesses described Furst Group's compensation from AT&T as a "commission." How does this differ from a typical reseller's compensation?

4. Witnesses stated that Furst Group was essentially an agent for AT&T rather than a reseller of AT&T services. (Hearing Transcript, p. 8.) However, Furst Group's response to Item 1 of a Commission Order in Case No. 93-100¹ described its Kentucky operations in the following manner: "The Furst Group resells the SDN services of AT&T. . . . [Emphasis added.] Clarify the inconsistency between Furst Group's hearing testimony and its response to the Commission Order discussed above and specify when the change occurred.

5. Does the application in Case No. 93-100² accurately describe Furst Group's operations prior to the filing of the application, or is the authority requested in the application different from Furst Group's existing operations? Explain in detail.

¹ Case No. 93-100, The Application of the Furst Group for a Certificate of Public Convenience and Necessity, Order dated May 14, 1993.

² Id.

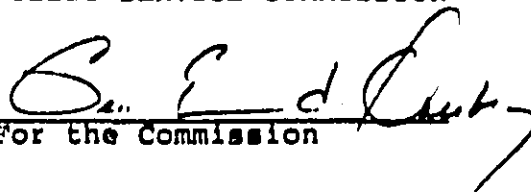
6. Has Furst Group ever had the authority to increase the rates of customers above AT&T's rates for the same services and thereby increase its profit? Would Furst Group agree that such authority is typical of a reseller?

7. Does Furst Group consider the customers it solicits to be AT&T's or its own? Explain.

8. Who is ultimately responsible for the payment of all charges that accrue from the use of AT&T services by Furst Group's customers? If the responsibility for payment has shifted over time, explain and specify the dates of such changes.

Done at Frankfort, Kentucky, this 7th day of January, 1994.

PUBLIC SERVICE COMMISSION


For the Commission

ATTEST:


Executive Director